

FISCAL MEMORANDUM

SB 1460 – HB 1732

May 25, 2007

SUMMARY OF AMENDMENT (005406): Allows a child under 24 years old, whose parent is employed as support personnel at least 25 hours per week by any local education agency, to receive a 25 percent discount on tuition in any state institution of higher learning. Any child receiving the discount whose parent dies during his/her enrollment will continue to receive the discount. Requires the Department of Education to administer the program of grants that fund the tuition discounts which shall be limited each year by the amount of funds specifically appropriated to the department for this purpose.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$4,759,300 FY07-08
\$4,950,400 FY08-09

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$5,000,800 FY07-08
\$5,191,900 FY08-09

Assumptions applied to amendment:

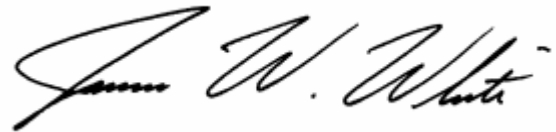
- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- There are 49,738 school system employees in addition to those already covered by the discount program (teachers).
- An estimated 9,100 full-time (FTE) students/dependents of LEA support personnel would take courses.
- The 25% tuition discount for each FTE student/dependent would be \$523 in FY07-08 and \$544 in FY08-09.
- First year costs (FY07-08) are estimated to be \$4,759,300 (9,100 x \$523 per FTE student).
- Second year costs (FY08-09) are estimated to be \$4,950,400 (9,100 x \$544 per FTE student).
- Tuition is estimated to increase at a rate of 4% per year.
- The children of teachers receiving tuition discounts for previous years provide a fair representation of children expected to receive tuition

discounts in the future, adjusted for an expected participation rate for children of LEA support staff in proportion to current participants.

- According to the Department of Education, the department will require three additional positions at a cost of \$241,500 to administer the grant program. This estimated is based on a cost per position of \$75,500 including benefits plus \$5,000 for related expenses ($\$75,500 + \$5,000 \times 3$ positions).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

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